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ABSTRACT

The Coordinating Board of the Texas College and University System was created by the Texas Legislature in 1965 to provide leadership and coordination for the Texas higher education system, institutions and governing boards. The present document is the 1972 annual report of the Coordinating Board. Discussions are presented in the report on changing enrollment patterns in Texas, the new senior institutions, community college development, work with private higher education, new programs and administrative changes, graduate education, financial planning and administration, student financial aid programs, and campus planning and physical facilities development. (HS)

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Annual Report

Coordinating Board

Texas College and University System

Coordinating Board, Texas College and University System
State Finance Building • P.O. Box 12788
Austin, Texas 78711
November, 1972

The Coordinating Board

The Coordinating Board, Texas College and University System was created by the Texas Legislature in 1965 to provide leadership and coordination for the Texas higher education system, institutions and governing boards. Its 18 members are appointed by the Governor with the advice and consent of the Senate.

The Board appoints the Commissioner of Higher Education, who is the chief executive officer of the staff. The Commissioner and the Board staff have offices in the State Finance Building in Austin.

The Coordinating Board is responsible for recommending statewide policies for higher education and advising the Governor, Legislative Budget Board and Texas Legislature on matters of higher education, including the financial needs of the state institutions of higher education.

Before new degree programs can be offered in state colleges and universities, the Coordinating Board must give its prior approval. Also, the Board is authorized to recommend the establishment, discontinuance, or uniting of public institutions; authorize the creation of public junior college districts and adopt standards for the operation of public junior colleges; develop and recommend formulas to the Governor and Legislative Budget Board for use in determining legislative appropriations for the equitable financing of public institutions of higher education; recommend tuition policies for all institutions of higher education; supervise the administration of a variety of federally supported higher educational programs; recommend policies for efficient use of construction funds and orderly development of physical plants; and administer the state's college student loan program and tuition equilization grants to needy students.

The enabling legislation defining the Coordinating Board's responsibilities is contained in V.T.C.A., Education Code, Sections 61.001–61.204.

Coordinating Board, Texas College and University System

CHAIRMAN

Wayne E. Thomas of Hereford (1977)

VICE CHAIRMAN

Newton Gresham of Houston (1977)

MEMBERS

Jack Arthur of Stephenville (1977)
Robert W. Baker of Houston (1975)
Walter Bassano of Paris (1973)
Dr. G. V. Brindley, Jr. of Temple (1973)
O. H. Elliott of Austin (1973)
Marshall Formby of Plainview (1977)
Dr. James P. Hollers of San Antonio (1975)
William Hunter McLean of Fort Worth (1973)
Wales Madden, Jr. of Amarillo (1973)
L. B. Meaders of Dallas (1975)
Fred H. Moore of Austin (1973)
Harry Provence of Waco (1975)
Richard S. Slocomb of Galena Park (1977)
M. Harvey Weil of Corpus Christi (1977)
Watson W. Wise of Tyler (1975)
Sam D. Young, Jr. of El Paso (1975)

Note: Six-year terms of all Coordinating Board members expire on September 1 of years indicated.

Coordinating Board Staff Administrative Officers

Bevington Reed, Commissioner of Higher Education
Ray Fowler, Head of Division of Administration and Financial Planning
Thomas M. Hatfield, Head of Division of Program Development
Mack Adams, Head of Division of Student Services
Gordon Flack, Head of Division of Campus Planning and Physical Facilities

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Chairman's Message

The Coordinating Board, Texas College and University System is pleased to present to the Governor and the members of the Texas Legislature its annual report on Texas higher education and the activities of the Board.

The year 1971–72 was one of significant accomplishments. Many of those accomplishments are the fruition of the planning efforts of this Board over the past eight years and the commitment of the leaders and citizens of this state to provide quality education for all Texans.

In terms of diversity of institutions, programs and students, the Texas system of higher education is one of the most progressive in the nation. However, if a higher education system is to remain dynamic, this year's achievements also must be next year's stepping stones. Some of the significant milestones of 1971–72 include:

- **Continued Enrollment Growth:** Enrollment in all postsecondary education in the state reached an all-time high of almost 480,000 in Fall 1971. As projected by the Coordinating Board, the enrollment pattern showed stabilization of numbers of students attending public four-year institutions and tremendous growth in numbers entering community junior colleges.

- **Decreased Need for New Senior Colleges and Universities:** The need of the 60's to create new senior institutions to meet expanding enrollments has now largely been met. One new four-year master's level institution (The University of Texas at San Antonio) and eight new upper-level institutions have been authorized during the years 1969 through 1972. While few additional senior level colleges will be needed, the newly-authorized institutions will need support as they prepare to accept students and fill the needs they were designed to meet.

- **Coordination of Community College Efforts:** Legislation enacted by the 1971 Texas Legislature legalized what had been extra-statutory practices of junior colleges of providing programs outside their legal districts. The responsibility for statewide regulation of out-of-district offerings is under the authority of the Coordinating Board. The Board has developed guidelines to assist colleges in planning such offerings and to assist the Board in evaluating college requests. These actions have not only broadened availability of community college programs but have enhanced the coordination of the state's overall plan for the development of higher education opportunities.

- **Financing Higher Education:** To support the growing number of students and newly-authorized institutions, the State of Texas appropriated over $463.5 million of State General Revenue tax funds to agencies and institutions of higher education in Texas for Fiscal 1973. The Coordinating Board has designated formulas for the 1974–75 biennium to provide for the equitable distribution of available state funds. Recommendations include moderate increases in the level of funding of existing institutions. Also, additional funds will be needed to finance adequately newly-authorized public senior institutions.

- **Program Development and Curriculum Reform:** To meet changing needs in higher education while avoiding duplication of efforts, the

Coordinating Board carefully evaluated institutions' requests to add new degree programs. Following comprehensive studies on need for reform in doctoral programs, the Coordinating Board turned down requests from four state universities to initiate a new doctoral degree, the Doctor of Arts. At the same time, the Board called on Texas universities now offering Ph.D. programs to initiate any needed reforms in those programs to improve the presentation of college teachers.

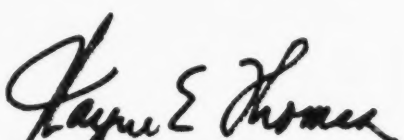
- **Financial Aid for Needy Texas Students:** The Coordinating Board in August 1972 authorized the reduction of the interest rate to be charged on loans made to needy Texas students by three-fourths of one percent, beginning September 1, 1972. After that date, student borrowers will pay 6.25% per annum, simple interest—the lowest interest rate charged in the nation for federally insured student loans. The interest rate reduction was the result of advantages of participation in the federally insured loan program, a very favorable bid of $20 million State of Texas College Student Loan Bonds, and Internal Revenue Service temporary regulations on tax-exempt bonds. During Fiscal 1972, some 18,000 students were loaned $24.8 million to help them finance a college education.

The work of the Coordinating Board in Fiscal 1972 to achieve excellence in college education for the people of the State of Texas is described in this report. In conducting this work, the Board held four regular quarterly meetings in Austin in October 1971, and in January, April and July, 1972. In addition, the Board conducted four special called sessions in November 1971 and in February, June and July 1972. The Board also conducted numerous public hearings on important issues in higher education and sought the assistance of representatives of public and private institutions of Texas higher education through advisory and ad hoc committees of the Board.

The Governor appointed and the Senate confirmed in 1971 the appointment of two new members to the Coordinating Board and the reappointment of four former members. The six-year terms of these members will be from September 1, 1971 to September 1, 1977. The two new members are Marshall Formby of Plainview and Richard S. Slocomb of Galena Park. Members reappointed were Chairman Wayne E. Thomas of Hereford, Vice Chairman Newton Gresham of Houston, Jack Arthur of Stephenville, and Harvey Weil of Corpus Christi.

Under the able guidance of the Commissioner of Higher Education, the staff has demonstrated throughout the year its professionalism and its devotion to educational improvement in the State of Texas.

The accomplishments for Texas higher education in 1971–72 would not have been possible without the partnership of political and educational leaders and the cooperation of Texas colleges and universities. Members of the Board and its staff gratefully acknowledge that cooperation and ask the continued support of the executive and legislative branches of government in the work of the years ahead.



Wayne E. Thomas
Chairman

Progress of the Texas Higher Education System

The Texas system of public higher education during 1971–72 had in operation 22 public senior colleges and universities, one upper-level university, one upper-level center, one lower division center, 44 public community junior college districts operating on 48 campuses, one technical institute with four campuses, four public medical schools, two public dental schools, three other medically-related units, and one public Maritime Academy.

Additional institutions, approved by the Texas Legislature and in planning stages, are one four-year master's level university, four upper-level institutions, two upper-level centers of existing state universities, and two public medical schools.

Texas also had 38 private senior colleges and universities, 10 private junior colleges, two private medical schools, one private dental school, and two private medically-related units.

Changing Enrollment Patterns

Enrollment in Texas postsecondary education reached an all-time high of 479,537 in Fall 1971. The overall percentage of growth over Fall 1970 was 8.6 percent.

Indications are that enrollment growth in higher education will continue even though the birth rate is declining. However, that growth is not expected to equal the dizzying pace set in the 1960's. The student bodies of Texas institutions today include more adults, more married students, and more members of minority groups than ever before in the state's history.

More and more adults are returning to college campuses to update skills, to learn new vocations, or to enrich their daily lives through education. The number of students 24 years of age or older enrolled in Texas public senior institutions has increased nearly 21 percent in the past four years. The number of students graduating from Texas high schools is steadily increasing, as is the percentage of those graduates going on to college. In the last decade the college-going rate of students 18–24 years of age has increased from about 21 percent to nearly 32 percent.

Many students who once would not have been able to attend college are able to do so because of the proximity of Texas community colleges and their open-door admissions policies. Financial aid programs also are making postsecondary education opportunities available to economically disadvantaged students who would otherwise not be able to pursue education beyond the high school.

As significant as the numerical growth is the pattern of that growth and the shifting distribution of students among types of collegiate institutions. Enrollment in public four-year colleges and universities in Fall 1971 revealed an expected stabilization of the rate of growth, with an increase slightly more than 3 percent. In fact, enrollments at six public senior colleges showed a decline from Fall 1970. However, public community college enrollments jumped 23 percent, with the number of students in vocational-technical and community service programs more than doubling in one year.

During the 1960's, the percentage of students entering public, rather than private institutions steadily increased. In 1966, public institutions enrolled 78.3% of the total number of Texas students. That percentage had increased to 82.5% in 1970, but was at 82.9% in 1971. In fact, the percentage of enrollment increase in 1971 over 1970 at private senior colleges was almost as large as at public senior institutions—2.9% as compared with 3.1%. It is somewhat early to say with certainty, but there may be a trend toward stabilization of the percentage of students entering public and private colleges as a result of the newly-authorized state Tuition Equalization Grants Program.

The following table shows the distribution of student enrollments among the different types of Texas colleges and universities in 1970 and 1971.

SUMMARY OF HEADCOUNT ENROLLMENT

Texas Institutions of Higher Education
Fall 1970 and Fall 1971

Type Institution	Fall 1970 Enrollment	Fall 1971 Enrollment	Percent of Change
Public Senior Colleges and Universities	238,197	245,573	+ 3.1%
Public Community Colleges	123,127	151,552	+ 23.1%
Semester Length	(108,023)	(120,782)	+ 11.8%
Other than Semester Length	(15,104)	(30,770)	+103.7%
Public Technical Institutions	(N/A)	3,540	(N/A)
Private Senior Colleges and Universities	66,250	68,159	+ 2.9%
Private Junior Colleges	6,879	6,360	— 7.5%
Medical and Dental Schools			
Public Institutions	2,580	3,045	+ 18.0%
Private Institutions	1,221	1,308	+ 7.1%
TOTAL	438,254	479,537	+ 8.6%*

* For a more accurate ratio, enrollment figures for 1971 from TSTI were excluded from figures used to compute the growth percentage.

New Senior Institutions

The major needed expansion of public senior colleges, in terms of new institutions, has now largely been met. In fact, all but one of the new institutions recommended by the Coordinating Board—a four-year, master's level institution in Houston—have been authorized by the Texas Legislature.

During 1971–72, the Coordinating Board recommended no new institutions. However, the Board did endorse the University of Houston as the existing state-supported university to establish an upper-level center in Victoria.

The Coordinating Board in 1969 adopted a comprehensive plan for the orderly development of Texas higher education. In addition to the recommendation included in that plan, *Challenge for Excellence,* the Board has developed additional policies and recommendations to respond to changing needs. Basically, the thrust of the Board's planning has been for existing four-year institutions to achieve excellence within their role and scope, for expansion and full utilization of community colleges, and for extension of needed baccalaureate opportunities through the creation of upper-level institutions.

From 1969 through 1972, the Coordinating Board recommended, and the Texas Legislature authorized and appropriated planning funds for establishment of one new four-year, master's level institution (The University of Texas at San Antonio) and eight new upper-level institutions.

After assessing the potential of upper-level institutions to meet the needs and resources of Texas higher education, the Coordinating Board recommended support and continued development of the newly-authorized institutions. At the same time, the Board expressed concern that continued expansion of upper-level centers and possible pressures to convert these special-purpose institutions to free-standing universities could lead to a proliferation of efforts and costly duplication.

Therefore, the Board this year directed its staff to make a new study of the state's needs at all levels of higher education and cost to the state in meeting identified needs. In effect, the Board will conduct a total review of the progress in higher education and base its future recommendations on the results of the new study.

The study of upper-level institutions made in Fiscal 1972 was undertaken at the direction of the Texas Senate (S.R. 25, 62nd Legislature, First Called Session). At that time, the Legislature had authorized the creation of seven upper-level institutions in Texas. The University of Texas at Dallas, The University of Texas of the Permian Basin, and the Laredo Center of Texas A&I University at Corpus Christi, Tyler State College, the University of Houston at Clear Lake, and appropriated planning funds to East Texas State University to establish an upper-level branch at Texarkana. No legislation for the Texarkana Center was needed. In 1972, the 62nd Legislature, Third Called Session, appropriated funds for Fiscal 1973 to the seven new institutions and to the University of Houston to establish an upper-level center in cooperation with Victoria College.

Results of the study of upper-level institutions indicate that the State of Texas would realize an immediate savings of more than $150 million as a result of implementing seven upper-level rather than four-year institutions. (When the study was conducted, the University of Houston had not received approval to establish its Victoria Center.) In addition to the lump-sum savings, the state would realize additional savings in maintenance and operating cost of more than $4 million each year. The study concluded, "It is obvious that savings will result from not duplicating faculty, library, and teaching supplies and equipment for the first two years of college work." Upper-level institutions are designed to complement and take advantage of the excellent public community junior college facilities and programs that exist in Texas.

Community College Development

Three new community college districts accepted students for the first time in Fall 1971, bringing to 48 the number of community colleges enrolling more than 151,500 students. Enrolling students for the first time were El Paso Community College, Houston Community College, and Western Texas College in Snyder. The Orange Center of Lamar University, a lower division

center, also enrolled its first students in Fall 1971. The Orange Center was authorized by the 62nd Legislature to serve students in Orange and Jefferson Counties.

Enrollment in community colleges has catapulted from about 62,500 in 1965 to more than 151,000 in Fall 1971. During that time, community college districts have increased from 31 to 44. All but one of those districts were operating campuses in 1971-72, with four districts having more than one college. Vernon Regional Junior College, created in 1970, was scheduled to accept students in Fall 1972.

Requests for New Districts

During 1971–72, the Coordinating Board approved a request for a proposed North Harris County Community College district to hold an election to create a union district made up of Aldine, Humble, and Spring independent school districts. Local voters were to make the decision in Fall 1972.

The Coordinating Board disapproved a request to hold an election to create a union community college district embracing the Denver City, Plains, and Seagraves independent school districts.

Several other requests to create new junior college districts were being studied by the Board at the close of the 1971–72 year. In considering requests to authorize elections to create new community college districts, the Board's Subcommittee on Community Colleges conducted public hearings in Aldine, Denver City, and Alice.

Out-of-District Course Offerings

Approval of all out-of-district course offerings is a new responsibility of the Coordinating Board. House Bill 1351, which was enacted by the 62nd Legislature in 1971, provides a legal basis for community colleges to offer courses outside their district boundaries "provided that each branch campus, center, or extension facility is approved by the appropriate state educational agency." By agreement with the Texas Education Agency, the Coordinating Board is that agency; however, when approval involves primarily the state plan for vocational education, the two agencies confer.

In assuming its new responsibility for regulation of out-of-district course offering, the Coordinating Board in April, 1972 adopted rules and regulations regarding authorization for community colleges to offer courses outside the legal boundaries of their districts. The regulations were developed in cooperation with an advisory committee of community college presidents.

Based on criteria outlined in its regulations, the Board in July, 1972 approved requests from 28 community colleges to offer out-of-district courses in more than 100 locations in 1972–73 and disapproved requests from eight community colleges to offer such courses.

The enactment and implementation of the legislation regarding out-of-district course offerings should result in broadened availability of community college programs for Texans while bringing under state supervision an important aspect of the overall development of educational opportunities.

Strengthened Program Offerings

Expansion of program offerings in community colleges continued at an accelerated rate, especially in the vocational-technical areas, supervised at the state level by the State Board for Vocational Education. These offerings now number almost 500 and afford students both associate degree and certificate training opportunities in a wide range of salable skills.

University-parallel programs in community colleges also increased and were strengthened through the work of the core curriculum committees and training institutes conducted through the Instructional Improvement Program. The latter program, funded under provisions of the federal Education Professions Development Act, has provided assistance in efforts to improve instruction to more than 900 community college instructors in 35 institutions.

Expanded interest in continuing education for credit and non-credit purposes, a third thrust of the comprehensive community college, was evidenced by both educators and members of community college districts. Limited state and federal assistance for these important programs made the efforts of Texas community colleges in this area even more commendable.

Work with Private Higher Education

The Texas Legislature in 1970 and 1971 authorized two cooperative programs with private higher education and directed the Coordinating Board to administer both programs.

Tuition Equalization Grants program allows needy Texas students to receive assistance attending private colleges and universities. That program is discussed later in this report under the heading, Student Services.

The Legislature also authorized the Coordinating Board to contract with three private institutions for the education of Texas resident medical and dental students. The legislation was designed to increase the number of doctors and dentists in the state without building expensive new facilities.

The amounts appropriated were $2.5 million for contracting with Baylor College of Medicine in Fiscal 1972 and $5 million in Fiscal 1973; $1.7 million for contracts with Baylor College of Dentistry for each of the two fiscal years; and $150,000 was appropriated for Fiscal 1972 and $300,000 for Fiscal 1973 for contracts with the Texas College of Osteopathic Medicine.

The enabling legislation for these contracts stipulates how the amount to be paid for each Texas medical and dental student is to be determined. The per student amount is determined by the average annual state tax support per undergraduate medical or dental student in public medical or dental schools. If the programs continue as currently provided by statutory law, the Coordinating Board estimates that in 1974–75 a total of $1.9 million will be required to fund contracts with the Texas College of Osteopathic Medicine, $6.1 million for Baylor College of Medicine, and $4.8 million for Baylor College of Dentistry.

Program Development in Texas Colleges and Universities

The Coordinating Board, Texas College and University System, is required by law to "review periodically all degree and certificate programs offered by the institutions of higher education to assure that they meet the present and future needs of the State." Public institutions are prohibited by statute from initiating new administrative units or instructional programs, "except with the specific prior approval of the Board." In making its decisions, the Coordinating Board is charged to consider the "best interests of the institutions themselves" and the "general requirements of the State of Texas." (Section 61.051(e), Texas Education Code, 1971)

New Programs and Administrative Changes

Increasing concern about the feasibility of financing unlimited expansion in Texas higher education made the 1971–72 year one of careful study and cautious program approvals. Yet, the year brought forth the greatest number of requests from institutions for new programs since the Coordinating Board was created in 1965.

The Coordinating Board approved 52 and disapproved 18 program requests from 15 existing institutions. Also, the Board approved 98 programs needed to make up complete beginning academic programs for three new universities—The University of Texas at San Antonio, The University of Texas of the Permian Basin, and The University of Texas at Dallas.

Of the 150 programs approved, in 1971–72, two were for associate degrees, 103 for baccalaureate degrees, 40 for master's degrees, two for doctorates. One professional degree program and two certificate programs also were approved.

The Board disapproved 13 requests for new doctoral programs, two for master's degrees, and three for baccalaureate degrees.

The number of approvals and disapprovals is a small part of the story. Cooperative efforts between the Coordinating Board staff and institutions alleviated the necessity for many potential program requests to be formally presented to the Board. Joint program planning efforts enable institutions to identify in early planning stages those potential program requests which would be an unnecessary duplication of programs in other institutions.

Four factors contributed to the large number of new program requests. First, and most important, was the complete program needs of the three new

New Programs (cont.)

institutions. Early approval of programs is necessary for efficient planning even though students will not be admitted to the programs until Fall 1973 at UT-San Antonio and UT-Permian Basin and no undergraduate students will be admitted to UT-Dallas until Fall 1975.

A second important factor is the desire of existing institutions to redirect their programs in accordance with changing economic and social needs and to bring greater flexibility into degree structures. The redirection trend is offering students more specific preparation for occupations, such as those in health and public service fields. The desire to provide elasticity in degree structures resulted in program approvals which were not entirely new to an institution. For example, one institution added an M.S. degree to already existing M.A. and M.Ed. degrees in Biology, Chemistry, Mathematics and Physics.

A third factor in the increased number of degree requests is the stabilization of university enrollments. To attract more students, many institutions wish to provide more variety in program offerings.

The fourth factor relates to the changing nature of student bodies. The increasing diversity of these student bodies—in age, academic preparation, career goals—has brought pressures for new kinds of programs, new teaching techniques, and new institutional structures.

The requests for new programs were accompanied by a variety of requests for administrative changes in senior institutions. Complete administrative structures for the three new universities and several changes in administrative designations for existing universities were approved. To promote interdisciplinary studies and to improve responsiveness to changing educational needs, the Board approved the creation of several new administrative entities within institutions, such as a School for Community Services, an Institute of Health Sciences, and an Urban Resources Center.

To maintain the efficiency of its program consideration procedures while providing institutions opportunities to appeal program decisions, the Coordinating Board during the year adopted formal procedures for the consideration of appeals of decisions on program requests. Appeals will be considered no sooner than three months after the Board's first decision on the proposed new program. All appeals are to be submitted in writing and must include "substantial new information and shed new light on the subject."

Graduate Education

The Coordinating Board, in cooperation with Texas universities, conducted comprehensive studies during the year on need for reform in doctoral programs. The particular focus was improvement of the preparation of graduate students for college teaching.

The studies were prompted by requests from four state universities to initiate a new type of doctoral degree program—the Doctor of Arts. After months of study and a public hearing on the question, the Coordinating

Board decided in January that this new doctoral degree should not be authorized for Texas public institutions.

Recognizing and commending the months of careful study and preparation by the universities requesting the program, the Board called on universities now offering Ph.D. programs to utilize the results of the study to initiate any needed reforms to improve the preparation of college teachers.

In denying requests to begin the new doctoral degree programs, the Board cited the apparent oversupply of doctorates for available positions, the economic situation of Texas higher education, and the unproved merits of the new degree to fulfill its major purpose—the improvement of college teaching.

One result of the Board's decision on the Doctors of Arts and its charge to graduate schools to reform present programs was demonstrated in an April meeting of representatives from all public universities which award Ph.D. degrees. These representatives conferred with the Commissioner of Higher Education and the Program Development Division staff regarding present programs and plans for development. Other informal planning sessions have resulted in preliminary steps toward program reforms to make graduate education more responsive to the needs of students and society.

Promoting Free Transfer of Credits

To develop transfer policies which protect the integrity of institutional programs but also protect the interest of all Texas students, this year the Coordinating Board joined forces with the Texas Association of Colleges and Universities to make a statewide study of the problem of transfer of credits among Texas institutions. Recommendations based on the results of the study are expected to be presented to the Coordinating Board for its consideration next year.

The statewide study followed closely on the heels of the adoption by the Board of the first professional core curriculum in law enforcement education. The approved core curriculum consists of seven courses (21 semester credit hours) which will be freely transferable among all Texas public junior and senior colleges. For the Fall 1971 semester, 36 Texas colleges were enrolling 8,200 persons in law enforcement programs.

The core curriculum in law enforcenment is the fourth core curriculum to be adopted by the Board. The other three core curricula are in business administration, arts and sciences, and engineering.

Adoption of the law enforcement core curriculum was the result of cooperative efforts involving community and senior college staff members; personnel from police departments; members of the Texas Commission on Law Enforcement Officer Standards and Education; the Department of Occupational Education and Technology, Post-Secondary Division of the Texas Education Agency; the Commission on Academic Affairs of the Association of Texas Colleges and Universities; and the Coordinating Board staff.

Progress in Health-Related Education

The Coordinating Board continued its efforts to assist educational institutions in the development of programs which will meet the state's needs for doctors, dentists, nurses, and other professionals in health-related areas.

The Board's work in administering contracts with three private institutions for the education of Texas resident medical students has been described earlier in this report under the heading, "Work with Private Higher Education." In addition, the Board approved a one-year contract between the Texas College of Osteopathic Medicine and North Texas State University. Under terms of the contract, NTSU, in conjunction with faculty from TCOM, will conduct the first and second years of basic sciences instruction on its campus.

The trend toward liberal arts institutions providing expanded programs in allied health sciences was encouraged by several Board actions during the year. Texas Woman's University received approval to establish an Institute of Health Sciences and to offer master's programs in Health Sciences for preparing needed faculty members and in Health Administration to prepare persons to enter nursing service and nursing home administration positions. The Board also modified the role and scope of Southwest Texas State University by authorizing it to offer two-year and certificate programs in the health sciences. SWTSU also received approval to establish a School of Allied Health Professions.

Other new programs designed to help meet the state's health manpower needs were approved by the Board. They include a Pediatric Nurse Practitioner Certificate program, baccalaureate degrees in Bioengineering, Medical Technology, Medical Record Library Science, and Respiratory Therapy; and a master's degree in Rehabilitation Counseling. Texas Tech University also received Board approval to establish a School of Veterinary and Zoological Medicine in conjunction with the Texas Tech University School of Medicine and to offer programs leading to the degree of Doctor of Veterinary Medicine.

Nursing Education Project

Through its Nursing Education Project, the Coordinating Board is developing a plan for nursing education in Texas which can provide the number of nurses needed to meet the health care demands of the future. The project is operating under a three-year grant from the Division of Nursing, National Institutes of Health.

Members of the project staff work closely with the Texas Nurses' Association, Board of Nurse Examiners, Texas League for Nursing, and the newly-formed Texas Council of Deans and Directors of R.N. Educational Programs. The work is aided by an 18-member Advisory Council appointed in 1971 by the Commissioner of Higher Education.

Work underway through the Project includes an analysis of the current roles of nurses, distribution of nurses across the state, mobility patterns of nursing students, a curriculum analysis of nursing programs, and an analysis of existing conditions within nursing practice and nursing education.

Compensatory Education Project

Through its Compensatory Education Project, begun in 1970, the Coordinating Board has developed a state plan for improving educational opportunities and services for the disadvantaged through Texas community colleges. Research leading to the development of the state plan was financed through a U.S. Office of Economic Opportunity Grant of $85,750. In its first year of operation the Compensatory Education Project staff published its state plan, *Reaching for the Ideal: Recommendations for Texas Community Colleges.*

Based on the first year's work, the Moody Foundation of Galveston provided $108,000 to support pilot projects at three community colleges. The projects, designed to develop programs which meet the educational needs of disadvantaged students, were initiated at Texas Southmost College, Galveston Community College, and Ranger Junior College. Successful portions of the projects will become a part of the college's regular offerings.

In addition, the project staff worked with the three colleges to develop techniques of evaluation which would assist colleges in determining the extent to which the educational needs of disadvantaged students are being met.

Following the completion of the three pilot projects in 1973 and the preparation of a report based on their work, the Compensatory Education Project will have completed its mission. The project report will assist all community colleges as they develop goals and objectives for compensatory education programs, develop and implement techniques for measuring learning and attitude changes, and develop techniques for determining programs needed by disadvantaged individuals in the colleges' service areas.

Community Service and Continuing Education

Opportunities for community service and continuing education programs are lagging behind the demand for such programs. Traditionally, such programs have had to be self-supporting. However, the Community Service and Continuing Education Program, funded under Title I of the Higher Education Act of 1965, has made limited funds available to states to encourage development of programs to assist in the solution of community problems.

The Coordinating Board administers the federal funds available to Texas colleges and universities for community service and continuing education programs. Each state writes its own state plan and decides on its own priorities. The Texas State Plan for the Community Services Program specifies that all annual program funds be applied to "problems of urban local governmental affairs."

The Coordinating Board during Fiscal 1972 approved 19 grant proposals for community service and continuing education projects from 15 Texas colleges and universities. The total grant allocation was $311,169, with institutions furnishing $203,585 in matching funds.

A total of 22 institutions submitted 23 proposals for projects totaling more than $1 million. Because of the scarcity of federal funds and because state funds have not been appropriated for this purpose, many valuable programs could not be funded.

Financial Planning & Administration

The State of Texas holds the rank of fourth among 50 states in total annual appropriations of state tax funds for operation of higher education. More than $463.5 million of State General Revenue tax funds was appropriated to agencies and institutions of higher education in Texas for Fiscal 1973.

The objective of the Coordinating Board's efforts in financial planning is to identify formulas for determining adequate and equitable funding for the delivery of quality higher educational services to the citizens of Texas. Funding procedures and methods must be constantly reviewed to stay abreast of the ever changing needs of higher education in Texas.

The Coordinating Board is fortunate to have the resources of the Texas college and university system available to supplement the work of the Board and its staff in meeting statutory responsibilities in the area of financial planning. Without cooperation and support from the higher education community, the Governor, and the Legislative Budget Board, none of the success of the Texas formula system would have been possible. The Board is grateful for this support and in soliciting continuation of these cooperative efforts in the future, the Board pledges a continuing effort to fulfill its statutory responsibilities for financial planning in the most efficient manner possible.

The Texas Formula System

The Coordinating Board works closely with the Governor, Legislative Budget Board, and institutions of higher education in developing formulas to secure an equitable distribution of state funds deemed to be available to higher education.

The Higher Education Coordinating Act of 1965 requires the Coordinating Board not later than March 1 of every even-numbered year, to designate formulas for the use of the Governor and the Legislative Budget Board in making recommendations for the financing of public colleges and universities.

Formulas Recommended for 1973–75

The Board approved formulas for the 1973–75 biennium at its January 21, 1972 meeting. Formulas recommended by the Coordinating Board for Fiscal Years 1974 and 1975 call for:

- Faculty salary increases.
- Increased appropriations to libraries.
- Revisions in the formula for General Administration and Student Services
- Changing the base of the Public Junior College Formula from the number of full-time student equivalents to the actual cost per contact hour by program area.
- Inclusion of a 3.5 percent increase to offset the effect of inflation in all formula areas.
- Addition of three new formula areas—Instructional Administration, Faculty Development Leaves, and Faculty and Staff Group Insurance.

The formulas are the results of the combined efforts during the past year of representatives from Texas colleges and universities, of economic consultants, and of Coordinating Board members and staff.

Economic consultants employed by the Board reported that the annual rate of inflation through 1975 cannot be expected to fall below 3.5 percent. In applying this percentage factor to each formula area, the Board stated that public institutions of higher education should not be forced to operate below an adequate level of funding because of inflation.

While the formulas do not provide funds for all of the educational and general functions performed by public institutions of higher education in Texas, they do cover about 85 percent of the appropriations to colleges and universities.

The Coordinating Board has now adopted formulas in ten different areas. In addition to the three new formulas adopted for the 1973–75 biennium, there are Board-adopted formulas in General Administration and Student Services, Faculty Salaries, Departmental Operating Expenses, Library, Organized Research, Building Maintenance, and Custodial Services.

Community College Formula Change Recommended

To obtain a better distribution of funds among public junior colleges in Texas, the Coordinating Board adopted for the 1973–75 biennium a formula based on the actual cost per contact hour of general academic courses for each program area for an entire twelve month period.

Currently, state appropriations to junior colleges are based on one rate per full-time student equivalent for the fall semester only. The new formula will fund instruction in the Fall, Spring and Summer sessions. A twelve-month total of contact hours and specified rates per contact hour by program area are used to determine state-aid appropriations for each institution.

In adopting the new formula, the Coordinating Board expressed the hope that the new formula will result in full funding by state appropriations of all educational and general functions for junior colleges except the costs of operation and maintenance of physical plant and extension and public service activities.

Actual cost data by program area were determied from an extensive study of program costs conducted by the Coordinating Board staff, the Texas Education Agency, and a junior college advisory committee.

The study encompassed program areas identified in the taxonomy of degree programs prescribed by the U.S. Office of Education for community junior colleges. The study identified the actual number of contact hours and the direct costs associated with the production of both general academic and vocational-technical contact hours during the 1969–70 academic year.

Co-chairmen of the Public Junior College Formula Advisory Committee are Marvin Baker, president of South Plains College, and C. A. Roberson, vice-chancellor for administration of Tarrant County Junior College District. Other members of that committee are Wilbur A. Ball, president of McLennan Community College; J. R. Jackson, president of Brazosport College; Bob Henkel, business manager of Houston Community College District; Melvin Plexco, president of Galveston College; Bill Prather, business manager of Amarillo College; and B. R. Venters, controller at Del Mar College.

Legislative Appropriations to Higher Education

Appropriations from all funds for all agencies of higher education for Fiscal Year 1972–73 totaled $459,636,026, which represented an increase of $44,225,513 or 8.4 percent over appropriations for Fiscal Year 1971–72. General Revenue Fund appropriations (state tax funds) increased $45,158,511 or 10.8 percent compared with appropriations for Fiscal Year 1971–72.

Line-item appropriations of $10,351,738 were included for the applicable institutions and agencies to provide an approximate 6.8 percent increase in non-faculty salaries. Line-item appropriations of $2 million also were included for faculty salary increases.

Public Senior Colleges and Universities

Other than the line-item appropriations previously mentioned for faculty and non-faculty salary increases, with a few exceptions, there was no improvement in the level of funding for 1972–73 compared with the previous year. Additional funds were included for Faculty Salaries and Departmental Operating Expenses for Prairie View A&M College, Texas Woman's University, and West Texas State University (Faculty Salaries only). Pan American University, Midwestern University, Texas Southern University, and Prairie View A&M College received additional funds for Library.

Pan American University, Tarleton State College, and Angelo State University received Special Item appropriations for development of their Master's degree programs. However, the amounts for Tarleton and Angelo were vetoed by the Governor as they had been the previous year.

Several agencies received appropriations for the first time. Tyler State College received an appropriation for planning and operations. The University of Houston also received planning and operating funds for its Clear Lake Campus and Victoria Center. Texas A&I University—System Administration, recently approved by the Coordinating Board, also was funded.

Public Community Junior Colleges

State-aid appropriations for Texas public junior colleges increased from $625 per full-time student equivalent (FTSE) in 1971–72 to $640 per FTSE for 1972–73. Funds were included for the first time for Vernon Regional Junior College, expected to begin operation in Fall 1972.

A contingency appropriation also was included to provide for enrollment increases. For Fiscal 1972, the Legislature appropriated a contingency fund of $3,521,875 to be allocated to qualifying public community colleges to fund enrollment increases. In accordance with statutory provisions, the Coordinating Board disbursed these funds during Fiscal 1972 at the rate of $625 for each full-time student equivalent enrolled for Fall 1971 in excess of the FTSE enrollment for Fall 1970.

To determine direct appropriations to each public college and university, formulas are applied to actual (historical) enrollments during a "base pe-

riod." Lump-sum contingency appropriations are provided to be allocated at a later time to provide for enrollment increases between the "base period" and the fiscal year in which the appropriations become effective. If direct appropriations were keyed to historic enrollments with no provision for contingency funds, the level of financial support would be uneven. Appropriation of the contingency fund provides an equitable distribution of funds among the several institutions, and at the same time uses actual enrollments as the basis for determining state appropriations.

Medical and Dental Units

General Revenue appropriations for public medical and dental units for 1972–73 increased slightly over 16 percent compared with appropriations for 1971–72. The University of Texas School of Nursing (Systemwide) and Texas Tech University School of Medicine received substantial percentage increases in funds. The appropriations bill provided that all funds appropriated to the Texas Tech School of Medicine at Lubbock were to be expended for human medical education purposes only.

Appropriations to the Coordinating Board for funding Baylor College of Medicine were increased from $2.5 million in 1971–72 to $5.0 million for 1972–73, while the amount for Baylor College of Dentistry remained at the 1971–72 level of $1.7 million. Funds appropriated to the Coordinating Board for funding Texas College of Osteopathic Medicine were increased from $150,000 in 1971–72 to $300,000 in 1972–73.

Enrollment Projections for Distribution of Tax Funds

Enrollment projections to 1978 for 17 public senior institutions approved by the Board in January were the basis upon which one-half of approximately $15 million in state funds was distributed by the State Comptroller in June.

The state Constitution provides for a state ad valorem tax on property of 10 cents on a $100 valuation to create a fund for permanent improvements at 17 designated Texas universities. These institutions are primarily those not in the University of Texas or Texas A&M Systems, which participate in the University Permanent Fund.

The Constitution further provides that the 17 institutions were to receive funds from the tax levy during the 12-year period beginning Jan. 1, 1966, receiving 85 percent in 1966 and the remainder in 1972.

The projected enrollment increases to Fall 1978, as approved by the Coordinating Board, were to determine the allocation of half of the remaining 15 percent of the tax funds. The remaining one-half of the funds is to be disbursed according to need for additional facilities.

Organized Research Funds

Research expenditures by Texas public colleges and universities declined slightly in Fiscal 1971 over the previous year. The total spent on active research projects in 1971 was approximately $90.4 million, a decrease of about $270,000.

The federal government supplied more than half of the funds available for research, even though there was an 8.38 percent decrease in federal funds over the previous year. State appropriations increased by 17.5 percent, and represented one-fourth of the total research funds. The sources of all available funds were as follows:

Fund Source	Amount	Percent of Total
Federal Government	$50,770,473	56.13%
State Appropriated	23,920,259	26.44%
Institutionally Controlled	2,322,892	2.57%
Private Organizations	8,627,192	9.54%
Others	4,815,201	5.32%
TOTAL	$90,456,017	100.00%

The 23 public academic institutions allocated more than one-half of their research funds to physical sciences, about a third to life sciences, with the remainder being divided between social sciences and special and professional areas.

Nine public health-related units, whose share of the research funds was $23.6 million, spent more than 69 percent of those funds in the area of medical research. About 19 percent went toward biomedical research, and the remainder was divided among the areas of dental, public health, and education.

The 23 academic institutions received about 74 percent of the funds available in Fiscal 1971, or a total of $66,832,569. The remaining quarter of the available funds went to the health-related units. The total represented a 0.74 percent increase for the colleges and universities, a decrease of 3.05 percent for the health-related units, and an overall 0.30 percent decrease of funds available in Fiscal 1970.

Management Information System

An important responsibility of the Coordinating Board is the collection and dissemination of data about the Texas College and University System. During 1971–72, initial steps were taken to design and develop a centralized management information system for more efficient and effective data collection and dissemination about the Texas system of higher education. The system involves uniform collection and dissemination of data concerning students, faculty, courses, facilities and finances in Texas colleges and universities.

Coordinating Board staff, working in conjunction with a MIS Advisory Committee made up of personnel from state agencies and colleges and uni-

versities, designed and developed the automated management information system. The comprehensive data it will provide will be invaluable in evaluating and improving postsecondary education in Texas.

Seven institutions will participate in a pilot test of the Management Information System during Fall Semester 1972. The seven institutions are North Texas State University, Pan American University, St. Edward's University, Alvin Junior College, Kilgore College, Ranger Junior College, and Tarrant County Junior College District.

Results from the pilot tests will greatly facilitate statewide implementation of the system during Fall 1973. Coordinating Board staff met with personnel from state colleges and universities during the development stage to plan the reporting procedures.

In conjunction with development of the Management Information System, the Coordinating Board conducted a survey of administrative data processing activities in Texas colleges and universities and published the survey results. The survey provided the Coordinating Board with a picture of the administrative data processing capabilities in Texas colleges and universities, thus enabling the design of the Coordinating Board Management Information System to be compatible with existing data management systems at the institutions. Secondly, the survey provided a vehicle to enhance cooperative ventures between institutions in the development of computerized administrative applications. Each institution has been furnished a manual describing in detail each data item to be sumitted to the Coordinating Board. Most of the computer programs needed to collect and maintain the MIS data have been completed.

During the year, Coordinating Board staff began categorization of all academic courses taught in Texas colleges and universities into the Taxonomy of Instructional Programs in Higher Education as published by the National Center for Educational Statistics. These initial steps to identify and categorize similar courses taught in Texas institutions will help insure full transferability of courses among Texas colleges and universities.

Data Processing

Capabilities and responsibilities of the Data Processing section were broadened in Fiscal 1973 so that the section could better serve the needs of all Coordinating Board activities. The staff was expanded from nine to 19 employees. The section, formerly a unit of the Hinson-Hazlewood College Student Loan Program, is now administratively situated in the Division of Administration and Financial Planning.

In addition to maintaining and servicing approximately 1,200,000 current and historical records on students who have received loans through the student loan program, the section has been concerned with establishment and automation of procedures for administering Tuition Equalization Grants Program, Management Information System, Junior College Course approvals, and the facilities inventory of Texas colleges and universities.

Members of the Data Processing staff worked closely with the Systems Division of the State Auditor's office on development of systemized opera-

Data processing (cont.)

tion of the student loan program. System modifications include new operating procedures for loan applications, disbursements, collections, accounting, and file maintenance. The staff is developing a set of documented operating procedures to implement the design. The project is scheduled for completion in January, 1973.

Responsibility for maintaining an inventory system on facilities available in Texas public and private, junior and senior colleges and unversities was transferred to the Coordinating Board staff in Fiscal 1971. Under the supervision of the Board, the original system design was developed at Texas Tech University through a federal grant. At the close of Fiscal 1972, the Board had data available from 151 Texas institutions concerning 4,863 buildings.

The 62nd Texas Legislature created the new Tuition Equalization Grants Program and assigned responsibility for its administration to the Coordinating Board. To assure maximum efficiency in implementing the program, the staff designed an automated system, which was operational by October, 1971. The system has been refined throughout the year and will serve the expanding program efficiently and effectively during the new year. Procedures have been developed for processing student applications for the grants and for maintaining records on the 2,500 students who were recipients of $1 million under the program in Fiscal 1972.

Automation of procedures necessary for the Coordinating Board to fulfill its statutory responsibilities to produce a listing of courses approved for legislative funding at each junior college was completed in Fiscal 1972. Records on approximately 8,000 courses offered at Texas community colleges have been converted from manual to computer form. This conversion enables the Coordinating Board not only to streamline the approval procedure for institutions but insures that the Board has ready access to information essential to decision-making. To assist community colleges, the staff has developed a manual procedure for their use in supplying essential information.

To provide needed computer capabilities at the most economical cost, the Coordinating Board in November, 1971 entered into an interagency contract with the Industrial Accident Board. As a result, equipment was upgraded from an IBM System 360 model 30–64K to an IBM System 360 model 40–128K.

The mutually beneficial contract also provided the Industrial Accident Board capability for teleprocessing and batch processing services. Benefits of sharing a system include making teleprocessing capabilities available to the Coordinating Board at an annual cost of $8,004 as compared to $11,484 on a non-sharing basis. Also, processing capabilities, storage capacity, programming capabilities, and disk capacity have been increased.

Student Financial Aid Programs

The Coordinating Board is charged with the responsibility of administering the Hinson-Hazlewood College Student Loan Program and the Texas Tuition Equalization Grants Program. These programs are lodged in the Student Services Division, one of the four functional divisions of the Board's staff. The Student Services Division also serves as an information point for the state student residency requirements and for the several other student financial aid programs provided by the State of Texas for its citizens.

Hinson-Hazlewood Student Loan Program

The Hinson-Hazlewood program is unique in the field of student financial aid. Students in no other state enjoy as much access to student loans as do needy Texas residents attending Texas institutions. Indeed, higher education commissions in several other states are now working on plans for state student loan programs to be modeled after the Hinson-Hazlewood program.

During the 1972 fiscal year $24,792,307 was loaned through the Hinson-Hazlewood College Student Loan Program to some 18,000 students attending Texas colleges and universities. This amount was advanced in almost 57,000 separate disbursements with many students receiving from three to four disbursements during the year. The average loan during Fiscal 1972 was $436 with $1,172 being the average amount borrowed per student since the inception of the program. A total of $98,208,490 has been loaned to 83, 754 students since the program began operation in Fall 1966.

Bond Sales

To meet the needs of student borrowers in the 1972–73 school year, the Coordinating Board sold in July, 1972 $20 million of State of Texas College Student Loan Bonds. These bonds sold for an average interest rate of 4.89 percent. Because of the very favorable interest rate received and because of Internal Revenue Service temporary regulations on tax-exempt bonds, the Coordinating Board reduced the interest rate on loans to students in the coming year from 7 percent to 6.25 percent. This action will save Texas student borrowers some $180,000 in the year ahead and proportionate amounts in successive years throughout the life of the loans.

As of August 31, 1972, the Board has sold a total of $135.5 million in State of Texas College Student Loan Bonds and has retired $5.5 million of principal, leaving net bonds payable of $130 million. Total bonds authorized for sale amount to $285 million.

Participation in Federal Insured Loan Program

The Hinson-Hazlewood College Student Loan Program became a fully insured lender in the Federal Insured Student Loan Program as of the beginning of the Fall 1971 term of enrollment. The principal benefits of the federal insurance are that the Insured Loans Division of the U.S. Office of Education will purchase at face value plus any accrued interest the insured notes of borrowers who have died, who are permanently and totally disabled, or who are more than 120 days past due with repayment. Only the default portion of the federal insurance contract is new, as death and disability coverage has been provided by the federal government since late 1968.

For a default claim to be paid, the lender must prove that due diligence has been observed in attempts to collect from the borrower. Due diligence for this purpose is considered to include a telephone contact with the borrower within ten days of the date a payment is missed and to be followed by frequent written contact throughout the 120-day period that must have lapsed before the claim is filed. Preparations for meeting these requirements have been cause for considerable reorganization and supplementation in the collections effort. Part of the staff expansion has been made possible by utilization of students employed through the College Work-Study Program.

New Operating and Accounting Procedures

To serve the increasing numbers of student borrowers more efficiently, implementation of many new operating procedures and an entirely new accounting procedure began this year. The new system is the result of 15 months' work with the Systems Division of the State Auditor's Office. New systemized procedures and sophisticated accounting procedures may be the most efficient the State of Texas has known. System modifications include procedures to provide optimum turn-around on loan applications, daily microfilm processing of all payments received, and more efficient conversion of accounts from student to payout status.

One of the new procedures involves converting the more than 80,000 borrower files to a micro-thin jacket system. The file conversion work is being done through a contract with the Texas Prison System. At the close of Fiscal 1972, work was ahead of schedule with approximately six months needed to finish. When completed, the changeover will result not only in improvements in efficiency but also in considerable savings of critically needed floor space.

Tuition Equalization Grants Program

The Tuition Equalization Grants Program was created by the 62nd Texas Legislature in 1971. The first grants were made to needy Texas students in Fall 1971. During Fiscal 1972 a total of $1 million was disbursed to 2,511 students who were enrolled at 44 independent Texas colleges. The grants averaged $398. Requests for grants in Fiscal 1972 exceeded the funds available; therefore, the individual grants were less than the authorized limit of $600.

The program is designed to help needy Texas residents attend private colleges and universities within the state. Legislation limits to $600 the amount any student can receive during a fiscal year. Also, the grant may not exceed the difference between the cost of tuition in a public institution and that of the private college attended. The grant recipient must be enrolled as a full-time student and may not hold any form of athletic scholarship.

The entire $1 million of grant money distributed in Fiscal 1972 went to freshman students. Both freshmen and sophomores will be eligible to participate in the program in 1972–73, and the Legislature appropriated $3 million for grants in Fiscal 1973. An additional class will become eligible in each subsequent year until all four undergraduate classes are included by Fall 1974.

The Board has heard many praises of the Tuition Equalization Grants Program from families of participating students and from private institutions whose students have benefited. Since the program was funded too late in the year to have much bearing on student recruitment efforts, it has been difficult to evaluate the effectiveness of the program in terms of permitting students who otherwise would have attended public institutions to consider less-crowded private colleges as a realistic alternative. To be of maximum value in this regard, financial aid officers at the private institutions should know approximately a year ahead of spending what the funding level of the program will be and the amounts they will be able to allocate to students.

Other State Financial Aid Programs

In addition to the Hinson-Hazlewood College Student Loan Program and the Tuition Equalization Grants Program, the State of Texas provides a variety of other student financial aid programs for college students. The 62nd Legislature was active in this area and did much to extend educational opportunity to a variety of Texas citizens.

A new tuition bill enacted in 1971 requires that 25 cents out of each hourly charge for residents and $1.50 out of each hourly charge for non-residents be set aside for scholarships for needy students. This program channeled more than $2 million into the hands of needy students in Fiscal 1972.

Other new programs of student financial aid approved by the 62nd Legislature include exemption of persons employed as firemen from payment of tuition and laboratory fees; scholarships for needy nursing students enrolled in baccalaureate nursing programs at Texas Woman's University, The University of Texas System, Prairie View A&M University, and West Texas State University; and exemption of dependent children of Texas military personnel missing in action or taken prisoner of war from payment of tuition and fees at state colleges and universities.

Programs of financial assistance which were already available to students include graduate fellowships and scholarships, osteopathy scholarships, and fellowships at the LBJ School of Public Affairs. Also, there are 12 different statutory provisions for exempting certain students from payment of tuition and fees at public institutions. Eligible students include valedictorians, certain veterans, blind and deaf students, certain orphans, and children of certain categories of state employees.

Certification of Certain Students for Exemption From Payment of Fees

The children of certain firemen, peace officers, employees of the Texas Department of Corrections, and game wardens who lost their lives or were disabled in the line of duty as set forth in V.T.C.A., Education Code Section 54.204, are exempt from payment of tuition and fees at public junior and senior colleges and universities in Texas. During Fiscal 1972, two students were certified as eligible under this law for exemption from payment of tuition and laboratory fees.

Out-of-State Osteopathy Scholarships

The Legislature appropriated $81,000 to send students desiring to study osteopathy to institutions in other states which offer such courses of study. The State Board of Medical Examiners selected 81 students for these scholarships during Fiscal 1972, for a total expenditure of $81,000.

This scholarship program is being phased out since the 62nd Legislature authorized the Coordinating Board to contract with the Texas College of Osteopathic Medicine to provide for education of Texas resident undergraduate medical students, and appropriated $150,000 for such purposes for Fiscal 1972 and $300,000 in Fiscal 1973. No new students are being admitted to the Out-of-State Osteopathy Scholarship Program. All students currently enrolled should have completed their osteopathy degree requirements by the end of Fiscal Year 1974.

Campus Planning, Physical Facilities Development

The Coordinating Board in 1971–72 maintained its leadership in campus planning and physical facilities development. Among its activities were the updating of the statewide facilities inventory, initiation of facilities planning projects, publication of pertinent studies, administration of facilities grants programs, and updating of estimates of the space and related funding needs of Texas colleges and universities.

The Board also is charged with the responsibility of reviewing institutional requests for construction and renovation of facilities and for the acquisition of properties. After Board review and approval, eight Texas colleges constructed facilities costing a total of $3,685,000. Also approved were requests from 12 institutions to acquire properties costing a total of $580,717.

Higher Education Facilities Planning

One of the most important tools in campus planning is a physical facilities inventory of space available on all Texas college and university campuses. Through the use of inventory field teams, the Coordinating Board this year updated its facilities inventory, which includes data about 151 Texas institutions. Furnished in computer format, the information is available to the Board, the U.S. Office of Education, and Texas institutions of higher education. In cooperation with national planning groups, the Coordinating Board periodically reviews and refines inventory methods and procedures to insure uniformity and maximum effectiveness.

During the year, four important planning projects for Texas higher education were completed.

The first project has important implications for improved efficiency in financial planning for Texas higher education. The first intra-institutional computer system to assist senior colleges and universities in preparing budget requests was developed. Computer programs have been prepared to facilitate a Budget Requesting and Formula Calculating System. The system not only will automate certain aspects of budget requests but also will consolidate different aspects of the requests. The study will be published in Fiscal 1973 and made available to Texas colleges and universities, the Legislative Budget Board, the Governor's Office and other officials concerned with budget preparation and financial planning for Texas higher education. It should be of assistance in preparation and analysis of budget requests for the 1975–77 biennium.

To assist Texas institutions in their efforts to improve space utilization and facilities planning, the Coordinating Board conducted a Space Management and Planning Conference in May on the campus of The University of Texas at Arlington. About ninety administrators from Texas public and private

Facilities Planning (cont.)

institutions participated in the conference, which featured national authorities on the various aspects of planning and space utilization.

Culminating the efforts made possible by Special Opportunity Grants, two Texas universities published final reports on projects which had been funded in Fiscal 1971. Pan American University reported on its planning of the multi-purpose educational facility which has subsequently been constructed in the Model Neighborhood Area of Edinburg. The planning effort involved a vocational-occupational survey of the Model Neighborhood Area as well as a community attitude survey to determine the optimal approach to delivering higher educational services to the target area. Texas Southern University also published its final report on the higher educational and related service needs of Houston Model Cities residents. The study included recommendations concerning the development of facilities to meet the needs of a community out-reach program which will be of assistance to Texas educational planners. Also methodology developed for the study will aid researchers who may need to undertake similar studies in other areas.

The Coordinating Board at its April 21 meeting approved four comprehensive facilities planning projects which are being initiated this year. The projects, described later in this report, are financed by funds made available for such planning purposes through the U.S. Office of Education.

Federal Program Administration

The Coordinating Board administers three federal programs related to planning and construction of campus facilities, purchase of teaching equipment, and higher educational planning. In its administration of these programs, the Board has recommended the expenditure in Texas this year of $3,067,876 federal funds available for Texas higher education.

With the assistance of advisory committees from Texas institutions of higher education, the Board has developed procedures for administering these federal programs and for evaluating project proposals submitted for funding.

Construction Grants Program

Under provisions of Title I of the Higher Education Facilities Act of 1963, matching grants are provided to colleges and universities for the construction of undergraduate academic facilities. During the seven years the Coordinating Board has administered this program, it has allocated more than $92 million in grants to Texas colleges and universities for needed construction.

A total of $2,259,591 was allocated as Texas' share of federal funds for the program in Fiscal 1972. Of that amount, the U.S. Office of Education alloted $515,000 to public junior colleges and $1.7 million to four-year public and all private institutions. As the official state agency administering Title I Construction Grants Program, the Coordinating Board received 61 requests from Texas institutions for a total of $30.1 million.

In approving priority order for distribution of the available funds, the Coordinating Board stipulated that qualifying institutions would receive

$50,000 minimum grants as far as the funds would go. Because of this policy, all 32 of the public senior and private colleges which applied for funds received at least the minimum grant. However, funds were available for fewer than half of the requests from junior colleges.

Because of decisions on the national budget in Washington D.C., funds available for this program have been severely reduced during the last three years. Prospects for funds for the program for Fiscal 1973 remain dim. Because the federal funds available will be insufficient to provide grants for all but the most urgently-needed projects, the Board will continue in Fiscal 1973 its policy of providing minimum grants of $50,000. This policy, which was adopted in 1969, permits institutions to accept a small grant and proceed with construction while maintaining eligibility to compete for additional grants in future years.

Interest subsidy grants also are made available to Texas colleges through provisions of Title III of the Higher Education Facilities Act. The program is designed to provide federal funds to institutions to pay the average difference between a 3 percent interest charge and the actual amount of interest institutions have to pay for bonds on the open market. The Coordinating Board reviews and makes recommendations on proposals for the interest grants. The grants are made by the U.S. Office of Education.

During Fiscal 1972, 21 Texas colleges received interest subsidy grants to provide debt service money for bonds sold by the colleges to finance academic facilities construction. The grants will have an anticipated life of from 20 to 30 years.

Teaching Equipment and Materials Grants

Federal funds are made available to colleges and universities for the purchase of laboratory and other special equipment and materials for the improvement of undergraduate instruction under provisions of Title VI of the Higher Education Act of 1965.

The Coordinating Board administers the program for Texas. A total of 68 Texas junior and senior colleges received grants under this program during Fiscal 1972. A total of $696,294 was distributed among the colleges—$612,739 for instructional supplies and $83,555 for closed circuit television equipment.

Comprehensive Planning Funds (Basic Grants)

Federal funds totaling $70,629 were made available to the Coordinating Board for comprehensive facilities and equipment planning in July, 1972 under the provisions of Title I of the Higher Education Facilities Act of 1963.

The funds, which made possible a continuing updating of the facilities inventory, also will provide for the initiation of six new projects to be conducted in Fiscal 1973.

One of the projects is the development of program evaluation and review techniques for use in the establishment, staffing, construction, and opening of a new upper-level institution.

A second study has been undertaken to assess the obsolescence of edu-

Planning Funds (cont.)

cational facilities of public junior and senior institutions. The Building Quality Survey will utilize the results of the *Space Factors and Space Utilization Values* study completed in Fiscal 1971. The long-range goals of the project are to provide a means of evaluating repair and rehabilitation needs of public junior colleges as well as to assist the Governor's Office, the Legislative Budget Board, and the Coordinating Board in evaluating major repair and rehabilitation funding requests from senior institutions.

A third activity is a study of population projections, by county, for the State of Texas through 1985. The study will be done by the Population Research Center of The University of Texas at Austin and will be an important tool in planning to meet program and facilities needs of Texas higher education.

A fourth project recognizes the importance of the development of data processing capabilities among small institutions. The Board will plan and conduct a series of training workshops to assist staff members of such institutions. The project is expected to result in greater effectiveness at all levels of campus facilities planning in the state.

A fifth activity will be undertaken in cooperation with the Texas Surplus Property Agency to assist Texas colleges and universities to acquire property under the Excess Property Disbursement Program. Not only will the project facilitate a broader and more extensive search for excess property being held in government depots than any one institution could sustain alone, it will reduce duplication of efforts and reduce the cost of screening services and transportation costs to the institutions.

To assist public junior colleges in developing an expertise for screening institutional resource possibilities, a new information service has been initiated. It will provide program information summaries from a variety of sources regarding grants available through foundations, alumni, and federal programs.

Comprehensive Planning Funds (Model Cities Related Grants)

Under the provisions of Title I of the Higher Education Facilities Act of 1963, certain planning funds are made available to be used in connection with Model Cities and special urban problems. Under terms of this program, the Coordinating Board in Fiscal 1972 allocated $41,362 for two projects.

The Houston Community College System received $25,182 to plan a Career Evaluation and Guidance Center in conjunction with the Houston Model Cities Program. Laredo Junior College received $16,180 to undertake a study to determine the educational and training needs of the Model Neighborhood Area of Laredo and to develop recommendations for needed programs and facilities. While the needs to be considered in these two studies are not exclusively adult and continuing education, great emphasis will be placed in this area.

Other Activities Of The Coordinating Board

In addition to its activities in the areas of higher education development, financial planning, student financial aid, and campus planning and physical facilities development, the Coordinating Board is involved in research and publications efforts to help state leaders in government and education keep abreast of developments in higher education. The Coordinating Board and its staff also work cooperatively with other state agencies and institutions on matters of mutual concern and oversee certain state scholarship programs.

Research and Publications

Through its monthly newsletter, *CB Report*, the Coordinating Board distributes information pertaining to higher education to Texas colleges and universities, to government leaders, and to higher educational planners in other states.

Each year the Coordinating Board compiles and publishes a list of degree programs available in Texas senior colleges and universities. The publication, *Academic Degree Programs Inventory: Public and Private Senior Colleges and Universities of Texas,* was published in March, 1971.

At the request of the Coordinating Board, its select Advisory Committee on Organized Research undertook an examination of the role of Organized Research in Texas. The examination considered the relationship of research to teaching and learning, to the quality of academic programs, and to the needs of the state and its citizens. Results of the study were published as CB Study Paper 13: *The Critical Role of Organized Research in Texas Higher Education.*

Also, at the direction of the Texas Senate (S.R. 25, 62nd Legislature, First Called Session), the Coordinating Board undertook a study of the role and performance, advantages and disadvantages of upper-level institutions. The study also included an estimate of the savings which would result from implementing seven upper-level institutions which were authorized in Texas by the 61st and 62nd Legislatures rather than creating four-year institutions. Results of the study were published in a report entitled, *Upper-Level Institutions: A Report to the Texas Legislature.*

The Coordinating Board, at its July 20 meeting, authorized its staff to proceed with planning for a comprehensive study of professional, industrial and business employment needs, and of the relationship of those needs to educational programs and state services. The purpose of the statewide manpower study is to increase the effectiveness of educational efforts and, as proposed, would involve other state agencies, professional organizations, and educational institutions. A description of the proposed study was included in remarks of Chairman Wayne E. Thomas entitled, *A Study for Texas: Education, Employment and the Economy*, which were published this year.

Activities Related to the Southern Regional Education Compact

The Coordinating Board participates with the Southern Regional Education Compact in activities related to mental health research, educational opportunity in the South, and in a regional education program in medicine and dentistry.

During Fiscal 1972, there were three medical students from Texas enrolled in Meharry Medical College under the Southern Regional Education Board (SREB) program. As soon as students presently enrolled complete their programs, the program will be phased out. Fiscal 1972 is expected to be the final year of participation in the SREB scholarships and student aid program. The increased availability of programs in Texas removes the need for Texas to continue its participation in the program. During Fiscal 1972, the Board allocated a total of $12,300 to the students for partial tuition and travel allowance.

Texas also participates in SREB's regional program designed to obtain more well-trained mental health personnel for the South, more research, and more effective exchange of ideas and knowledge concerning mental health.

A third area of participation is a continuing study of educational opportunity in the South. Its purpose is to examine the status of the region's predominantly Negro colleges, suggest roles they might play in the immediate and long-range future and initiate programs to help them fill these roles.

Interagency Liaison and Cooperation

The Coordinating Board works closely with the Texas Education Agency, the State Board of Vocational Education, and other agencies where cooperative endeavors are an integral part of effective planning for higher education.

The Coordinating Board and its staff hold membership on numerous interagency councils. Cooperative efforts related to health education and law enforcement education are detailed in other areas of this report.

In addition, staff members continued work with the Interagency Council on Drug Abuse. A number of continuing education programs have been developed in cooperation with the State Program on Drug Abuse.

Working with the Human Resources Interagency Council, the Commissioner and his staff have been assisting with efforts to develop a manpower policy for the State of Texas. The Texas Employment Commission has appointed a Citizen's Advisory Council to work with the Human Resources Council on this important task so closely related to policies of higher education.

The Governor's Office of Planning Coordination, the Texas Education Agency, and the Coordinating Board are developing a state plan for environmental education. The plan will utilize educational resources available in institutions of higher education to help solve environmental problems. The work is financed through a grant from the U.S. Department of HEW.